

## FY 2004 Budget Overview

### MAJOR RECOMMENDATIONS

Governor Leavitt's FY 2004 budget recommendations and FY 2003 supplemental recommendations:

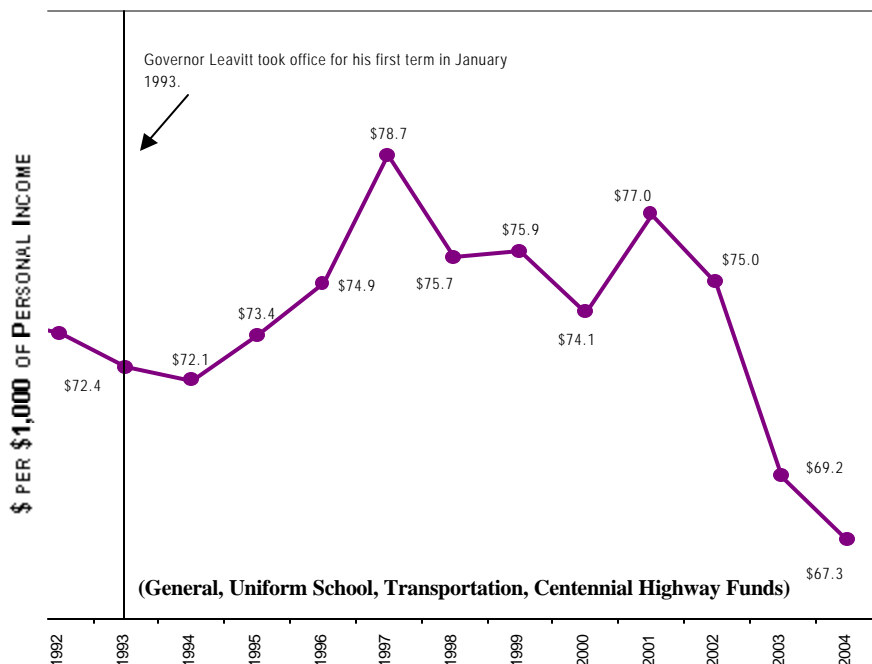
- ❖ Put *Education First*. No further cuts to education.
- ❖ Reduce water tax subsidies.
- ❖ Delay infrastructure investment.
- ❖ Protect vital human and public safety services.
- ❖ Practice careful fiscal management.

The graphs on the other side show Governor Leavitt's recommendations for balancing the FY 2003 \$117 million shortfall and necessary supplemental expenditures as well as the FY 2004 \$20.5 million shortfall and necessary ongoing expenditures.

Totals	
Total State Budget including federal funds, etc	\$7.5 b 2.2% increase
General Fund/Uniform School Fund State Tax Dollars	\$3.6 b (0.4%) decrease
General Fund/Uniform School Fund Revenue Change	(\$20.5 m) lower than current FY2003 level

Economic Projections Calendar Year 2003		
	Utah	U.S.
Job Growth	0.7%	0.9%
Personal Income Growth	3.6%	4.2%
Population Growth	1.6%	0.9%
Taxable Retail Sales Growth	3.8%	4.1%
Unemployment Rate	5.3%	5.7%
Inflation	2.3%	2.3%

### ECONOMIC GROWTH HAS OUTPACED STATE GOVERNMENT GROWTH



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Over the last ten years, government spending (excluding federal and other dedicated funds) has decreased when compared to the economy - as measured by personal income.

In FY 2004, state appropriations per \$1,000 of personal income will be below the FY 1993 level.

**State spending has grown slower than the economy.**

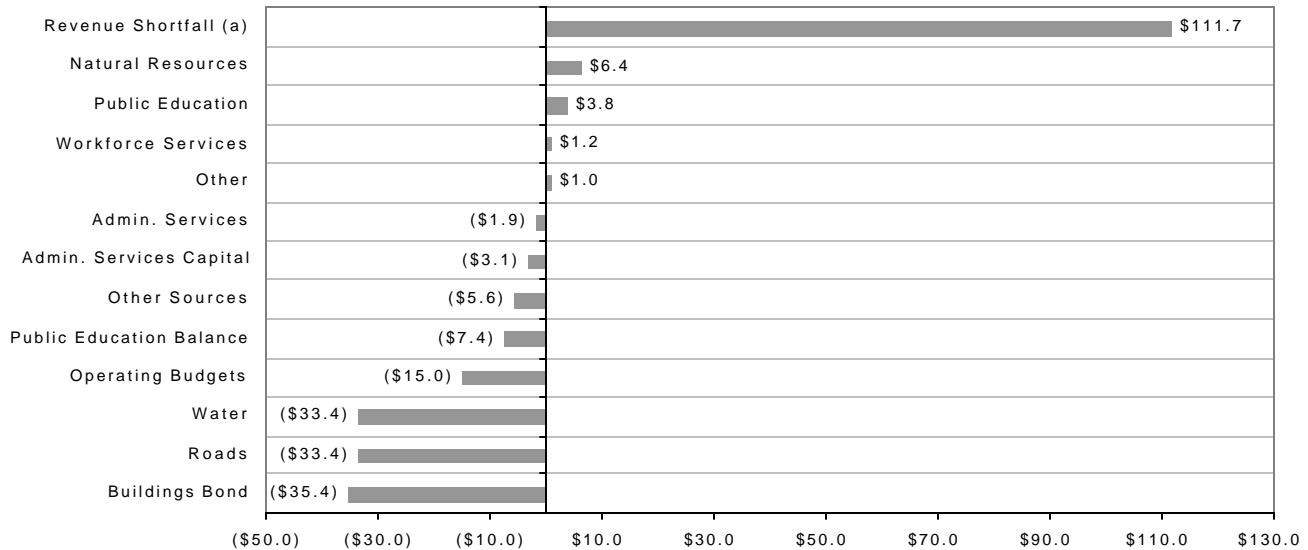
State spending of \$67.30 per \$1,000 of personal income in FY 2004 will be 7.1% below the \$72.40 in FY 1993.



## ALLOCATION BY DEPARTMENT AND AREA

General Fund and School Funds, FY 2003

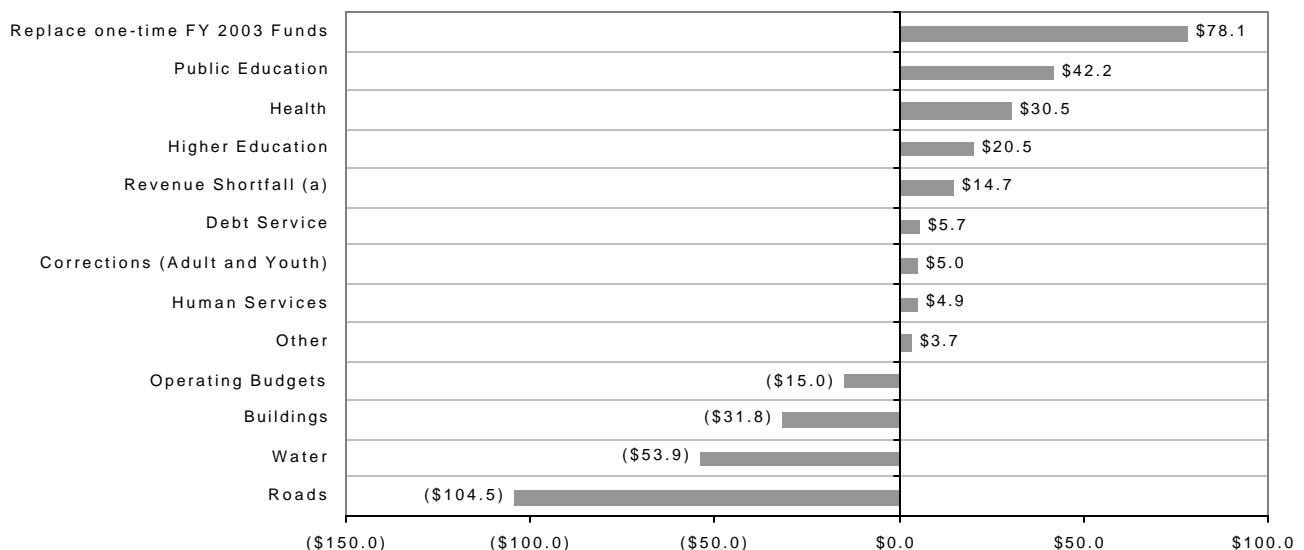
(In millions)



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General Fund and School Funds, FY 2004

(In millions)



(a) The Revenue Shortfall figures are net of Permanent School Fund interest which is restricted to direct payments to schools.

In FY 2003, the interest amount is \$5.6 million for a net revenue shortfall of \$117.3 million and in FY 2004, the interest amount is \$5.8 million for a net revenue shortfall of \$20.5 million.